JUNE 19, 1967

Special Canadian Issue

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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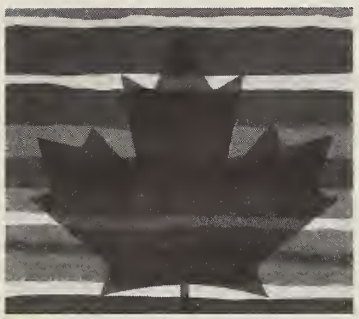

Canada's maple leaf appears on the cover of this week's issue honoring the 100th anniversary of Canadian Confederation as well as Agricultural Week at Montreal's EXPO 67.

Contents

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Canadian Ambassador to the United States A. Edgar Ritchie directs a special message to "Foreign Agriculture" which this week honors

CANADA'S CENTENNIAL YEAR

Canadian Ambassador A. Edgar Ritchie, center, and U.S. Under Secretary of State Nicholas deB. Katzenbach, right, plant a tree at Washington's Columbia Hospital to commemorate the 150th anniversary of the signing of the Rush-Bagot Treaty. This treaty, which provided for U.S.-Canadian naval disarmament, led to an undefended border and the lasting friendship of the two countries. Joseph Reilly, president of the Washington Kiwanis Club, is shown at the left.

As the Canadian Ambassador to your country (and as the product of a good farming area in eastern Canada) may I express my appreciation for the special attention given to Canada in this issue of *Foreign Agriculture*. This thoughtful attention is particularly welcomed in our Centennial Year. Canada, like Alaska and the great agricultural State of Nebraska, is celebrating a one hundredth anniversary this year. In our case it is the centenary of our Confederation as a country on July 1st, 1867.

Throughout these past one hundred years farmers in both our countries have worked closely together to improve production methods. Agricultural traders have competed actively in world markets for the benefit of their own farmers and of their customers abroad.

No doubt, even with all the changes that can be expected in the next hundred years, our agricultural producers and traders will continue to collaborate and to compete. Agriculture will remain a key element in the economies of both countries and will figure prominently in our international trade.

During the critical decades ahead North American agriculture will have a particularly significant role to play in meeting immediate food needs of the developing countries and in helping those countries to increase the productivity of their agriculture.

At the present time Canada, along with the United States, is doing its part to meet the urgent food requirements of India and some of the other developing countries which are currently experiencing particularly serious difficulties. The expanding Canadian aid program is also helping to raise agricultural production in those countries as well as to promote economic development generally.

The continuation of such assistance by both our countries can be of great importance for human welfare and for the peace of the world. The arrangements made in the closing stage of the Kennedy Round of trade negotiations should help to ensure broader international support for these kinds of efforts.

One of the central events in Canada's Centennial celebrations is EXPO 67 in Montreal in which the United States is playing a prominent and effective part. The theme of that exhibition is "Man and His World." Special prominence is being given there to man's role as a producer and to man's role in the community. Not only at EXPO but in the world at large Canada and the United States are showing themselves to be both efficient agricultural producers and responsible citizens of the international community in the distribution of their bounty.

CANADA'S AGRICULTURAL TRADE

—from modest beginnings to worldwide prominence

By RICHARD H. ROBERTS
U.S. Agricultural Attaché, Ottawa

In 100 years as a nation, Canada has progressed from a country struggling to export a few staple products to its present rank as one of the world's leading agricultural nations and the second biggest supplier of farm commodities. World demand for the products of Canadian waters, forests, and farms has been one of the major forces in the country's economic growth.

Fish first drew Europeans to Canada's coastal waters. The prospect of a lucrative fur trade lured them inland, where they found great forests ready to yield timber for Europe's buildings and fleets. Farming developed as settlement progressed, and Canada's first cash crop—wheat—moved into export. While mixed farming, livestock raising, and dairying replaced wheat in the eastern Provinces, the push westward opened the vast prairies to wheat, coarse grains, livestock, and oilseeds. Both the composition of farm exports and the number of markets buying them expanded. Today, Canada exports a wide variety of farm products for a value approaching $2 billion.

The fishermen who frequented Canada's coastal waters in the early 1500's set up no permanent settlements. This was left to the French, who came seeking furs and established the first fishing and lumbering communities in present-day Nova Scotia and New Brunswick and the first farm colonies in Lower Canada, or Quebec. Farming under the early French was largely self-sufficient, although a modest trade grew up with the West Indies.

The final fall of the French colonies to England in 1763 opened the markets of the British Empire to colonial farmers and encouraged agricultural development. Also established under British authority were the trade ties with the United Kingdom and the Commonwealth, which today are regarded as both traditional and historical.

Farming, exports progress under British

In the early years of British influence, lumbering and farming pushed the fur trade farther west. The adoption of improved farming techniques, coupled with good price conditions around 1770, led to the production of wheat for export, and in 1771 Quebec shipped out 200,000 bushels. Quebec met only moderate success when, following the American Revolution, it sought to take over the profitable U.S. trade with the West Indies. But improvements in shipping and marketing techniques resulted in larger exports of wheat, peas, pork, oats, and Indian corn to Britain. European wheat prices were high during the Napoleonic wars, and colonial trade flourished.

Trade with the United States picked up after 1822 when Britain repealed the laws forbidding trade between British colonies and foreign countries. But the United Kingdom remained by far the largest market for the colonies' products because of tariff preferences for their wheat, flour, and timber. These preferences encouraged expansion of farm output, and new wheat lands were opened in Upper Canada, now Ontario. Along the St. Lawrence, mills were built to manufacture flour from both the domestic crop and imported U.S. wheat.

Exports to the British market suffered a severe setback in 1846 when England abolished all tariff preferences and embarked on a free-trade policy that was not decisively reversed until 1932. Canada began to look around for a new outlet and found it in the United States. The U.S.-Canadian Reciprocity Treaty of 1854 provided for free trade in all natural products. The treaty opened up a valuable new market to Canadian farmers, fishermen, and lumberers. Although the United States shipped a few farm goods north, the bulk of the trade in basic products —wheat, barley, timber, wool, fish—moved south.

Above left, horsepower and manpower broke ground for Canada's first prairie wheat crops in the nineteenth century; left, turn of the century found flat prairie landscape broken by stark elevators at trackside.

A second blow hit Canadian exports in 1866 when the United States abrogated the Reciprocity Treaty. Although trade with Britain had continued and even widened—especially when the Crimean War cut off shipments of wheat from Russia—the Canadian colonies were left in 1866 with no trading privileges in their two major markets. The colonies looked at one another and saw the need to develop better markets at home.

Thus, actions by Canada's two major trading partners—the United Kingdom and the United States—were instrumental in drawing the colonies together. In 1867, the United Province of Lower and Upper Canada—which became the separate Provinces of Quebec and Ontario—joined Nova Scotia and New Brunswick to form a federal state called Canada. Tariffs between the colonies were removed, transportation was improved to encourage interregional trade, and the new confederation looked to the development of the vast prairies to the west.

After Confederation improvements in transportation and efficient production methods made Canada's farm products competitive on the world market even without preferential treatment. Rapid industrialization in England brought growing imports of food, and Canadian agriculture expanded largely in response to the demands of the external market. Britain and the United States remained Canada's major trading partners. In 1870, these two countries accounted for as much as 90 percent of total Canadian exports and 89 percent of imports.

Eastern farm economy diversified

Agriculture in the St. Lawrence Valley shifted after Confederation from a basically wheat economy to mixed farming, dairying, and livestock raising. Exports broadened to include oats, meat, eggs, butter, cheese, and livestock. By the end of the 19th century, increasing quantities of meat and dairy products were moving out in response to growing British demand. Cheese was the largest food export from this area during almost every year in the two decades prior to World War I.

Nova Scotia and New Brunswick also contributed to the diversification of Canada's agricultural export trade in this period. The collapse of the wooden shipbuilding industry after the 1870's turned many people from lumbering to farming. Farmers in Nova Scotia began producing apples for export to England, and New Brunswick grew potatoes for shipment to the United States.

While the eastern Provinces were diversifying their farm exports, a development that would make Canada one of the world's leading agricultural exporters was taking place on the western prairies. Farmers there began using fast-maturing, good-quality varieties of wheat adaptable to the short growing season. Spurred by developments in rail and ship transportation to the east, they pushed wheat acreage westward and northward across the prairies.

The year 1895 marked the beginning of a Canadian wheat boom that lasted almost 35 years until the Great Depression. A major world price rise, coupled with reduced transportation charges, boosted wheat exports to the rapidly industrializing and urbanizing markets of Europe. In 1897, the Crowsnest Pass Agreement placed rail rates on prairie wheat for export under statutory controls, where they remain to this day. Shipments to Europe were unhindered by high tariffs because of growing demands for food. In response to this great demand, wheat production on the prairies increased tenfold in two dozen years—from 42 million bushels in 1891 to 420 million by 1915.

Clockwise from above right: ship takes on grain at modern loading facilities in port of Vancouver, British Columbia; feeder cattle, one of Canada's big exports; an army of combines marches across wheat fields during harvest.

By the beginning of the First World War, Canada ranked third in world wheat trade, and by the end of the conflict, was second only to the United States. Canada took first place in 1923 and held that position throughout the remainder of the 1920's, accounting for 42 percent of world wheat and flour exports in 1928. Transportation facilities to east coast ports were expanded, and on the west coast, the port of Vancouver, British Columbia, was equipped to handle shipments to the Orient and, via the Panama Canal, to Europe.

The bottom fell out of the Canadian wheat export business during the depressed years of the 1930's. Poor world prices were accompanied by drought on the prairies. But the Depression also brought to light the drawbacks of a one-crop economy and encouraged farmers to diversify production. The local beef economy was expanded, and production of pigs and sheep increased. Acreage in coarse grains was increased to feed the expanding livestock numbers and for export.

During the Great Depression, Canada's trade volume declined, but it picked up again in the later 1930's and rose even further during World War II. Exports of wheat to the United Kingdom jumped from 87 million bushels in 1938 to 161 million in 1946. Throughout the war years, the United Kingdom took most of Canada's exported beef and pork. The war gave Canadian hog production a big boost, and between 1940 and 1945, over 3 billion pounds of ham and bacon moved to Britain. Britain also bought large quantities of dairy products, especially cheese, as well as poultry and eggs.

Trade shifts after World War II

A major shift in Canada's trade pattern began with the end of World War II. While before the war much of Canada's prosperity had hinged on exports to the British market, dollar shortages in Britain brought a sharp cutback in purchases of Canadian products after 1945. Trade between Canada and the United States strengthened substantially. More Canadian food products—especially cattle, beef, and specialty cuts of pork—began moving southward. By 1950-51, the United States accounted for 37 percent of Canada's farm exports, compared with 21 percent in 1935-39, while Britain's share declined from 62 to 26 percent.

Following World War II, Canada's trade with non-Commonwealth countries also expanded. Grains and oilseeds accounted largely for this market diversification.

Wheat exports to non-Commonwealth countries in 1951-56 averaged 100 million bushels above the 1935-39 level. In the 1950's, Western Europe as a unit ranked second to the United Kingdom as a market for wheat. Japan rose in importance as a buyer, taking an average of 30 million bushels in 1953-57, compared with about 2 million in pre-war years. Japan also became an important market for barley, and in the mid-1950's bought 10-15 million bushels annually against none before the war. Exports of wheat and flour to Latin America likewise picked up.

Striking increases in oilseed production in the Prairie Provinces during the 1950's added to Canada's export earnings and growing markets. Between 1953 and 1957, flaxseed acreage more than tripled in response to favorable growing conditions, high prices, and good demand. Output of rapeseed, a crop unknown to the prairies before the war, almost quadrupled in the single year between 1955 and 1956, rising from 1.56 million bushels to 6 million. Japan and Western Europe became major buyers.

Changes in Canada's farm export patterns from the mid-1940's through the 1950's have been carried even further in the 1960's. Prompted by growing surpluses of wheat backing up on prairie farms, the Canadian Government in 1961 agreed to sell wheat to Mainland China on short-term credit. The monthly review of the Bank of Nova Scotia called the agreement ". . . perhaps the single most significant development for the prairie region in the sixties." This was no overstatement, for China has continued as a major buyer of Canadian wheat over the past 6 years.

The 1961 sale to China was followed by large exports to other Communist countries. The Soviet Union, which had made small purchases since 1956, began buying large quantities in 1963-64 under a 3-year agreement, and in 1965-66 took 198.4 million bushels. Three-year agreements were also signed with Mainland China and several East European countries in 1963 and 1964. In the past 3 years, Communist countries have taken more than half of Canada's total wheat exports. Renewal of several agreements last year—including those with Mainland China and the Soviet Union—could bring a market for 240 million bushels annually.

Today, Communist countries buy about a quarter of Canada's farm exports, whereas in the early 1950's they took none. During the same decade and a half, exports to the United States dropped from 37 to 15 percent of the total, chiefly because the United States is not a market for Canada's growing wheat shipments. The U.K. share fell from 26 to 22 percent and that of other Commonwealth countries from 7 to 2 percent. On the other hand, sales to Japan rose from 2 to 9 percent of the total and to the EEC from 6 to 14 percent. Sales to all other countries declined from 22 to 13 percent.

Total exports of farm products are currently approaching a value of $2 billion, about double the level of 10 years ago. Although agriculture—including fishing and forestry—accounts for only 7 percent of Canada's gross national product, it contributes some 20 percent to export earnings.

Wheat still leads exports

Wheat makes up over half of Canada's agricultural exports, for a value of about $1 billion. On a worldwide basis, Canada accounts for about a quarter of the wheat and flour trade. This share has been maintained by the large shipments to the Soviet Union and Mainland China. Britain and Japan continue as major buyers, while exports to Western Europe, the Philippines, and South America have been showing a downward trend. The reduction in sales to the Soviet Union in the current year is partly offset by emergency aid grants to India. Less than 10 percent of the total value of wheat exports is in the form of flour. Chief markets are Britain, Cuba, the Soviet Union, the West Indies, and several Asian countries.

Canadian coarse grains have not shared in the worldwide growth in imports, especially in Western Europe and Japan. Export earnings from barley, oats, and rye—some $70 million—are only about two-fifths the level of the early 1950's. Most of the malting barley and substantial quantities of oats and rye move to the United States, but feed barley is shipped to Italy, Japan, Britain, and Israel.

The United States is by far the largest market for Canadian livestock and meat. About a half million feeder

cattle and calves move to the United States annually. These are being dramatically rivaled by growing shipments of purebred cattle to other countries. Mostly Holstein-Friesians, they go to 20 countries besides the United States, chiefly Spain, Italy, Mexico, and South American countries. Exports of purebred Herefords to the Soviet Union and Chile also have been rising. Among meats, the United States is chief market for the beef and pork that Canada markets externally. Pickled meats go to the West Indies, and increasing quantities of variety meats have been moving to Europe.

Oilseeds now account for 6 percent of Canada's farm exports and bring in $118 million in foreign exchange. Shipments last year, mainly flaxseed and rapeseed, increased about 20 percent, with sizable gains to Japan and Western Europe. Canada is the world's largest producer and exporter of rapeseed. Half of last year's shipments—valued at $38 million—went to Japan and 40 percent to Western Europe.

Canada's chief dairy product exports are Cheddar cheese and skim milk powder. Over the past 10 years, Cheddar exports have more than doubled. Nine-tenths, or some 34 million pounds go to Britain. Shipments to the United States are limited, by U.S. quota, to about 600,000 pounds. Exports of skim milk powder—both on a commercial and an aid basis— also have been rising. From 6 million pounds to 42 countries in 1955—chiefly to Venezuela and Mexico—they rose to over 69 million in 1966; Japan was the chief market, taking 28 million pounds.

From a net exporter of poultry products in the early 1950's, Canada has become a net importer. A notable exception is baby chicks; exports have increased substantially with improving jetliner services, and shipments last year totaled 2 million.

Tobacco exports in the past decade have risen 50 percent in volume and 100 percent in value. With sanctions on Rhodesian exports of tobacco, Canada ranks third after the United States and India as an exporter of flue-cured. Britain continues to be by far the largest buyer, but new markets have developed in West Germany, Scandanavia, Japan, Hong Kong, and Malaysia. Canada's tobacco acreage—almost all of it in southwestern Ontario—is being increased this year in anticipation of larger demand from U.K. manufacturers.

Fresh fruits and vegetables valued at about $35 million moved out of Canada last year. At $10 million, apples were the chief commodity and were shipped mainly to Britain and Western Europe. Another $6.9 million consisted of seed potatoes marketed in South America, Cuba, and the United States. Markets for canned fruits and vegetables have not generally risen, save in Britain and West Germany. Shipments of frozen vegetables are gaining in importance and go mainly to Britain, Western Europe, and tourist areas in the Caribbean.

Farm imports at billion-dollar mark

Canada's imports of farm products have been valued at about $1 billion annually over the past 4 years, a rise of around $400 million from the level of the 1950's. Since the early 1950's, the U.S. share of Canada's farm imports has increased from 45 to 55 percent. The U.K. and EEC shares have remained stable at about 5 and 3 percent, respectively. From 30 percent, the share of Commonwealth countries other than the United Kingdom has declined to about 20 percent. Of these, Australia and New Zealand account for about 5 percent. The most important of the many other suppliers are Brazil 3 percent and Mexico 2 percent.

Largest item on Canada's list of imports is $215 million in fruits and nuts, about 60 percent from the United States. U.S. farms supply most of the $90 million in imported vegetables. With developments in air freight, imports of fruits and vegetables from Mexico and the Caribbean have shown rapid growth. High among Canadian imports are tropical and semitropical items, including coffee, cotton and other fibers, sugar, cocoa, bananas, spices, and nuts. Canada also provides a large market for items that supplement domestic production—corn, meats, soybeans, seeds, cheese, potatoes, and vegetable oils and meals. Some items imported from the United States, like vegetable oils and meals, are re-exported to the United Kingdom after addition of a required percentage of the Canadian product in order to qualify them for the preferential tariffs of the British Commonwealth.

Canadian farm organizations call for larger imports from the Soviet Union and Mainland China to reduce the wide imbalance in trade with these two countries. Communist China has gained some in sales of textiles and nuts, and the Soviet Union in cotton. In the fall of 1965, the firm that produces half of Canada's cotton textiles contracted to buy half its cotton needs from the Soviet Union, and over $12 million in trade was shifted from the United States. This firm has now contracted for another supply—about $9 million worth or about a fifth of what the United States has usually sold to Canada.

Looks confidently at future

Canada looks ahead to sustained importance as a trader in farm products, although current developments in world trade policies make firm predictions difficult. Tariff reductions agreed upon at the recent Kennedy Round negotiations should expand trade, while EEC policies and British entry into the Common Market will have a dampening effect. In the next few years imports are expected to rise by about $200 million. Exports may be expected to decline some as wheat production gains in the Soviet Union. But the anticipated decline in wheat shipments should be offset by growing sales of other commodities—rapeseed, cattle and calves, and canned and processed foods.

The future of Canadian agriculture was singled out for special emphasis in the speech from the Throne at the Centennial Session of Canada's Parliament May 8. Roland Michener, the new Governor General, stated: "The impact of science, industrialization, and urbanization and the changing conditions in Canada and abroad . . . demand that our agricultural goals and policies should be kept under continuous examination.

"The government, confident that Canada can look forward in its second century to continuing as one of the great agricultural countries of the world, proposes to establish a Special Task Force under the Minister of Agriculture. It will be charged with projecting agricultural goals for the future and recommending policies to meet these goals. A firm basis should thus be provided for the development, in full cooperation with the Provinces, of a national agricultural policy. This national policy will be designed to bring greater returns to the efficient farmers of this country consistent with those of other segments of our economy and consistent with the contribution to our well being that is made by the agricultural segment.

How Canada Moves Its Farm Products to Market

Canadian farm products go to market through a blending of private enterprise cooperatives, marketing boards—with representatives elected by producers—and governmental commissions appointed by Provincial authorities. With the exception of Prairie Province grains and some special crops, most farm products are marketed through a combination of agencies.

Nearly all the Canadian grain sold commercially in Canada is produced in the Prairie Provinces. At a rate set by the Canadian Wheat Board, farmers deliver the grain to country elevators owned by private firms and cooperatives. The Board is the sole marketing agency for wheat, oats, and barley produced in these Provinces. It also controls the movement of other grains, rapeseed, and flax through transportation and marketing but does not handle their sale.

Ontario winter wheat sales are controlled by a separate producers' board. Federal assistance is given for movement and storage of feedgrains produced in the Prairie Provinces and fed to livestock in eastern Canada and British Columbia. A new federal Livestock Feed Board, with expanded powers, is taking over these duties.

Dairy products and cattle

Canada's fluid milk is marketed in every Province by a marketing board, usually delivered under contracts and quotas designed to keep supply in balance with estimated demand. The new Canadian Dairy Commission controls manufacturing milk and cream and is responsible for dairy price supports. The Ontario boards for cream, cheese, and manufacturing milk have been combined under the Ontario Milk Board, which also is responsible for fluid milk sales within the Province.

More than half the number of cattle and calves marketed in Canada are sold by auction at public stockyards. Most others are sold directly to packing plants, and about 5 percent are sold for export. Some of these sales are made by cooperatives and producers' agencies and organizations.

The majority of commercial hogs—including all hogs in Ontario and most in Manitoba—are sold directly to packers for the farmers by marketing boards. Only a few in other Provinces are auctioned at public stockyards.

Poultry marketing boards, which set quotas for producers, have been mushrooming throughout the Provinces. Broiler boards in British Columbia and Ontario were supplemented in the past year by boards formed in Nova Scotia, New Brunswick, Saskatchewan, and Alberta and a separate board for turkey broilers in British Columbia. Egg producers are forming boards in Quebec in 1966, Ontario in 1967, and in other Provinces later.

Vegetables and fruits

Intra-Provincial trade has caused some problems for Canada. Manitoba's vegetable board statute was invalidated over the control of shipments of locally grown products to other Provinces. The Province is permitting potato producers to vote on reinstituting intra-Provincial controls over potatoes. Other vegetables are not being given the same chance, however, reportedly because of stronger differences among producers.

Marketing of Ontario's onions is covered by one board; grapes by another; peaches, plums, pears, and prunes by a third; and apples by a plan chiefly for promotion (2 to 4 cents per hundredweight of apples marketed are being collected for advertising, education, and research).

Marketing of Idaho-type potatoes produced in southern Alberta is covered by a commission which collects 5 cents per hundredweight of potatoes to stimulate interest through advertising, to improve the standard quality marketed, and to provide market information to producers.

Canada's Rapeseed Promotion

With the aim of expanding export sales, Canada's rapeseed industry has formed its own council, similar to the Soybean Council of America.

The new group—appropriately called the Canadian Rapeseed Institute—will work to enhance the image of rapeseed, which has suffered from such problems as toxicity in livestock feed, and to maintain Canada's share of world rapeseed trade. Its goals include: Research into ways of improving the oil and meal, stepped-up market promotion, improved communications among industry members, and better reporting on world markets.

Grown commercially in Canada only since the 1940's, rapeseed has been called the country's "wonder crop." From a mere 1,400 tons in 1943, output has skyrocketed, reaching a record 637,500 in 1966. Today, rapeseed is Canada's second most important oilseed crop behind flaxseed. It is nearly 2½ times larger than the soybean crop, over 8½ times the mustard crop, and 43 times sunflowerseed production. And it is Canada's largest oilseed export: in the marketing year ended July 31, 1966, rapeseed shipments hit a record 340,800 tons (seed basis).

Ontario Wheat Support Prices

Prices for the current Ontario winter wheat crop will be held at last year's level despite recent declines in world wheat prices and a possible carryover of a million bushels of last year's crop, according to the Ontario Wheat Producers' Marketing Board.

This is the first time a sizable carryover has faced the Ontario Board. The Board stated that "recent price changes in the GATT negotiations have had little effect on world wheat prices to date since current values are within the range of prices agreed upon in the new world agreement."

The Ontario Board will maintain the minimum prices by purchasing wheat at the floor price and disposing of it in world markets. To finance the marketing, 18 Canadian cents per bushel will be deducted from all wheat sales by producers.

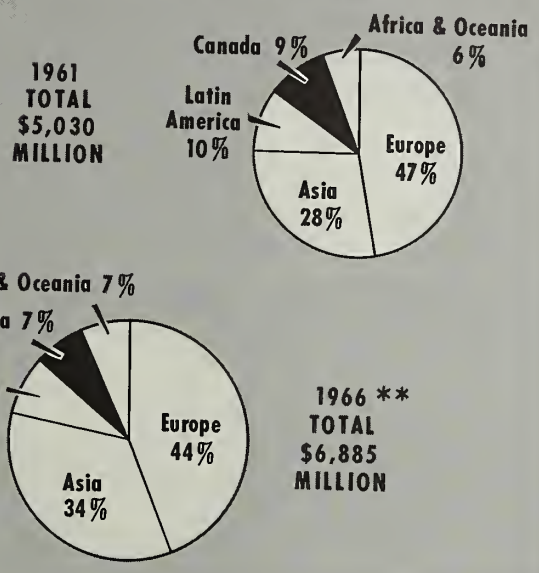
Minimum prices set are below:

1967:	
July	C$1.80
August	1.80
September	1.80
October	1.82
November	1.84
December	1.86
1968:	
January	1.88
February	1.90
March	1.90
April	1.90
May	1.85
June	1.80

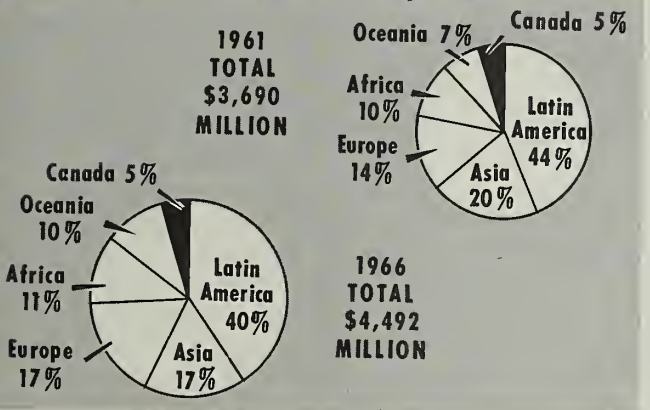
A Graphic Picture of U.S.-Canadian Agricultural Trade

CANADA'S SHARE IN U.S. TOTALS

U.S. Agricultural Exports *

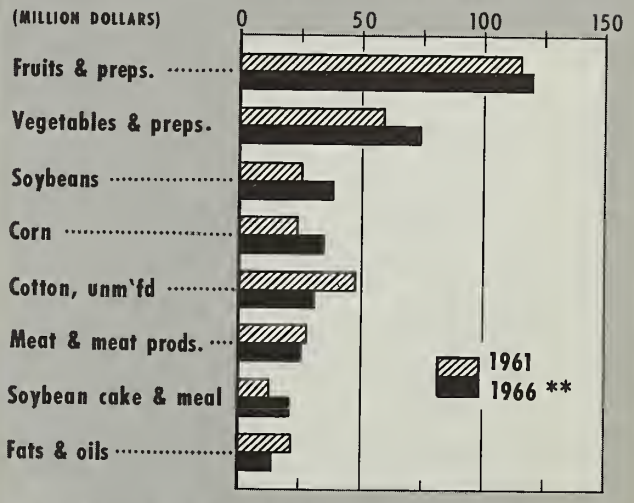


U.S. Agricultural Imports

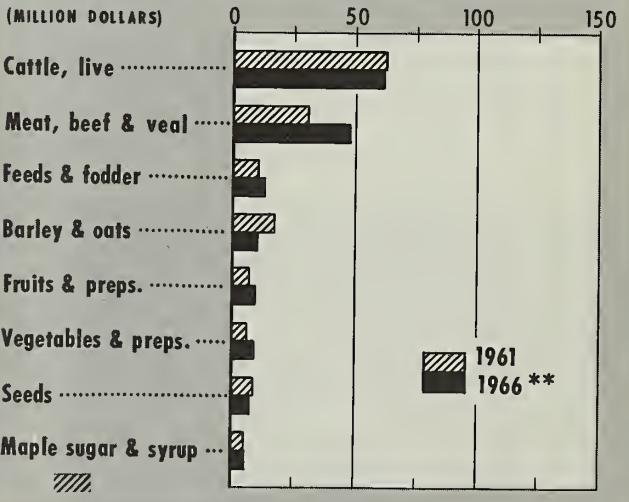


PRINCIPAL COMMODITIES

U.S. Agricultural Exports to Canada *

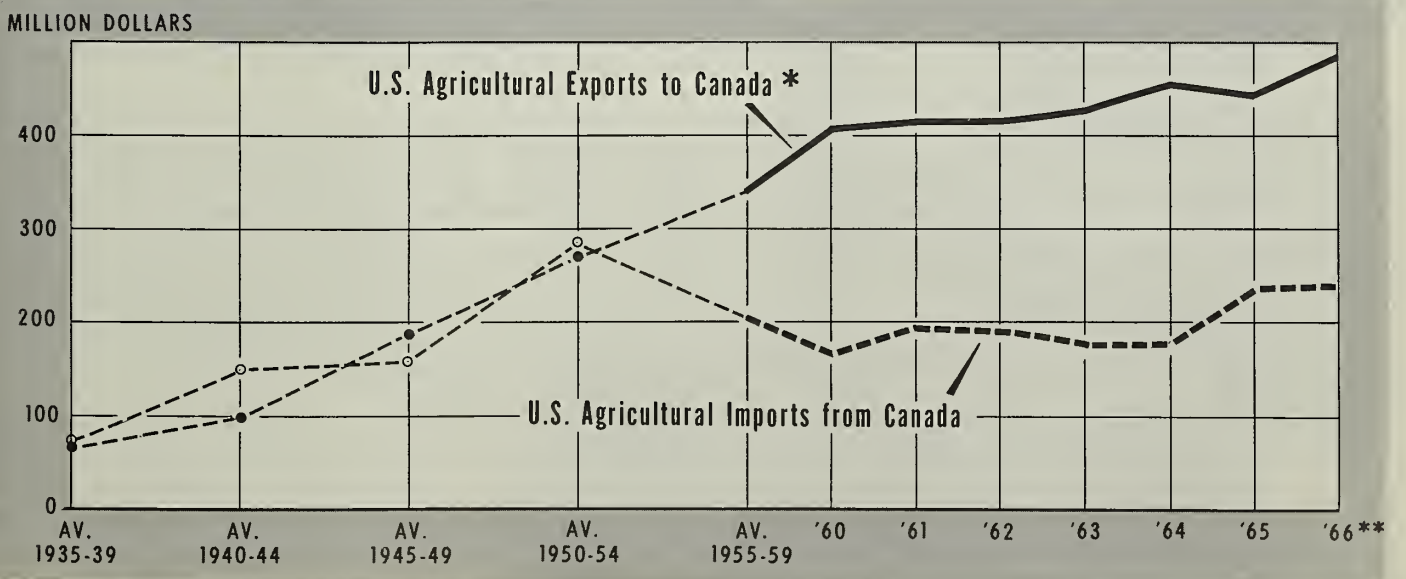


U.S. Agricultural Imports from Canada



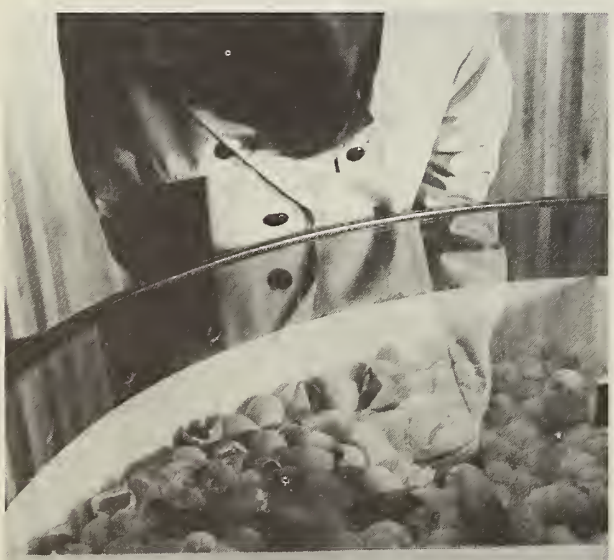
THE LONG-TERM TREND

* FROM 1960, U. S. EXPORTS ADJUSTED FOR TRANSSHIPMENTS FROM CANADIAN PORTS.
** PRELIMINARY.



EXPO 67 looks at agriculture in MAN THE PROVIDER

Above, crowds at gate to EXPO going to underground trains; below, world's highest producing Ayrshire cow, U.S. pavilion in background; bottom, visitor watches eggs hatch in poultry exhibit.



Throughout history man has made some of his most monumental achievements in agriculture. EXPO 67's agriculture pavilion—Man the Provider—retells the history of these accomplishments in the light of the urgent problem the world now faces, the gap between food and population.

Largest theme pavilion at EXPO, Man the Provider's 7½ acres of buildings and grounds make up the first agriculture exhibit at a world exposition dedicated to man's efforts for victory in a war against hunger. The battle portrait is impressive.

A giant clock ticks off the world's growing population—140 more births than deaths each minute—while pictures of mass starvation are flashed beside those of abundance. The severity of the food problem becomes more apparent a few steps further where an 8-foot replica of the earth stands beside a pea-size model representing the small percentage of the earth's arable land at man's disposal for the production of food.

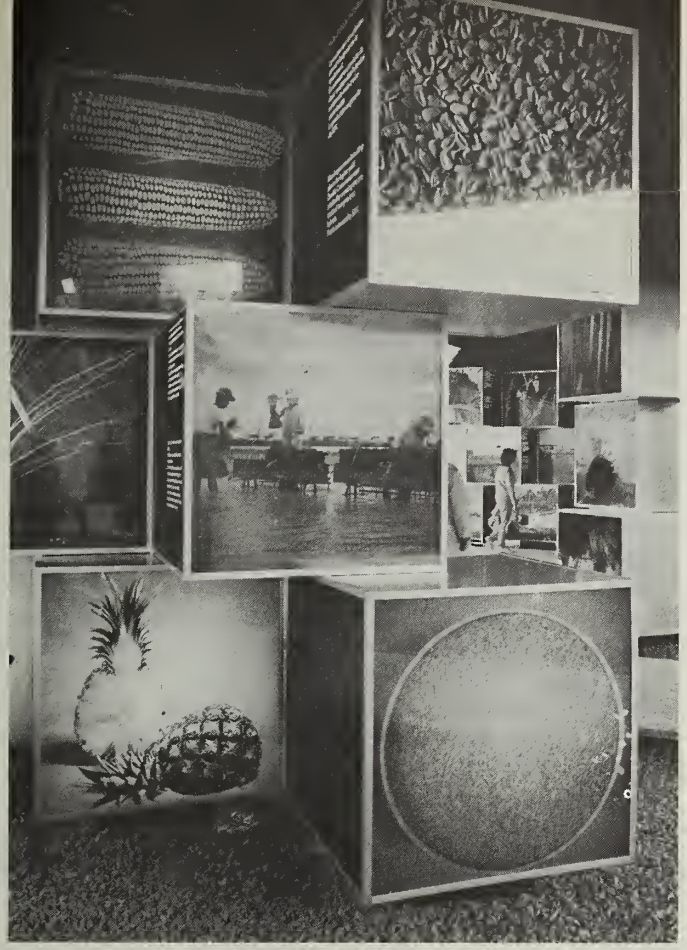
At the center of the pavilion a Sun Acre of common farm crops focuses on the basic elements needed for plant growth, sun and rain. Crop growing for today's widespread food consumption is of course much more complex; farmers, scientists, and engineers are needed along with food processors and businessmen to distribute the products later. EXPO tells how they take part.

Photographic essays show the structure and content of soil and how man has fertilized, irrigated, and made it provide to its full potential. Researchers who have improved the world's major food crops—wheat, corn, rice, and apples—for hardier plants and better yield have developed new hybrids that are growing at EXPO.

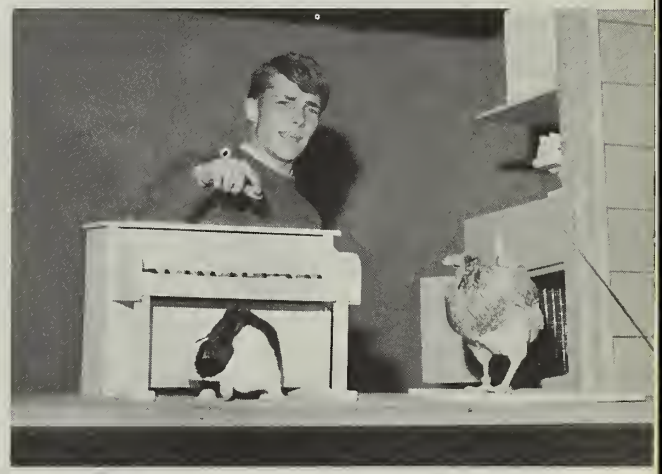
Cattle and swine bred for the best meat and cows for the finest milk are at the pavilion, as well as a complete modern egg factory, broiler plant, and a small factory where cheese is made—all the way from grass in the pasture to a spread on crackers. And for the youngsters, a Children's Farm.

Today a farmer can prepare his land, plant crops, cultivate and harvest them in a fraction of the time he could do it alone because of modern farm equipment. Several new machines have been brought to Montreal and mounted in a dramatic display outside the buildings.

Completing the exhibit is an exciting, ever-moving complex of red and green plastic balls tumbling through transparent chutes. They spell out marketing and distributing systems, the final step in moving food products into the home.



Upper left, an arrangement of boxes covered with pictures tells how the world's more abundant crops have been hybridized; above, visitor inspects new breeds of wheat and tomatoes growing in controlled atmospheres. Both exhibits are in the Crops Pavilion.



Visitors to the Children's Farm, above, look over the barnyard animals; above right, two star performers of the Farm's continuous animal show with their trainer; right, dramatic display of a self-propelled windrower, which has reduced the time for one man to harvest an acre of grain from 55 hours to 5 minutes.

Teamwork Pays Off in Canadian-U.S. Produce Inspection

By EDWARD W. ROSS, JR.
Fruit and Vegetable Division
Consumer and Marketing Service

In the cooperative spirit that long ago marked them as good neighbors, Canada and the United States today "help each other" in the inspection and grading of fresh fruits and vegetables.

The two countries—despite somewhat different grades—will inspect fresh fruits and vegetables for one another. For Canada, this means help from U.S. officials with 26 types of product imports from the United States, while for the United States it means assistance for a varying number of imports. Such an understanding not only saves time and money but could also be the first step toward international cooperation in grading and inspection of fruits and vegetables.

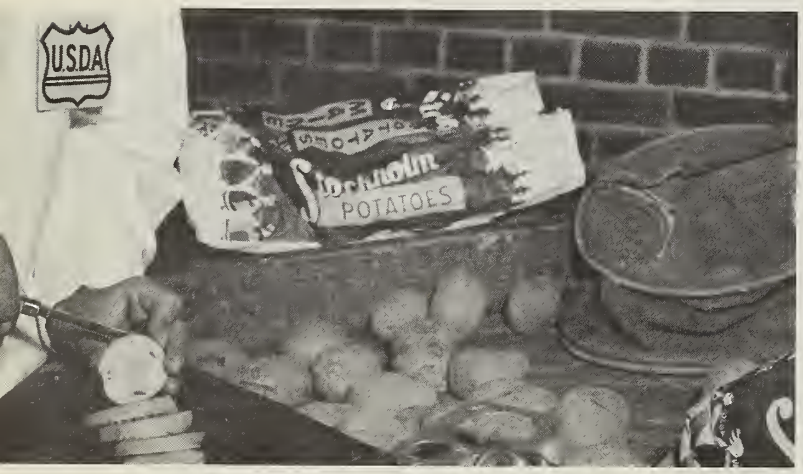
Long-standing programs

Responsibility for inspection rests with the countries' Departments of Agriculture, which for some time have had well-defined quality standards for their farm products. The Canadians began promoting standards of quality before the end of the last century; one product with a long history of regulation is apples, for which Canada has had legal grades for over 40 years. In the United States, on the other hand, inspection of fresh fruits and vegetables began in the terminal markets in 1917 during World War I and in the growing and shipping areas during 1922.

Inspection for one another has been going on for several decades. It is based on the principle that neither country must relinquish its unique responsibilities to industries and consumers but each must understand and recognize the import and export requirements and grade standards of the other.

Canada has import regulations on 26 fruits and vegetables, while the United States establishes requirements on certain commodities provided they are regulated under a Federal marketing order. Currently, the U.S. regulates the import of only eight. These regulations are the same as those applied domestically in certain States or areas to regulate grade, size, quality, or maturity of the product.

The Canadian Department of Agriculture's import regulations require U.S. commodities to meet certain U.S. grades and also not to be inferior in grade, size, or maturity to specifications of U.S. import regulations or marketing orders for these commodities. Therefore,



USDA inspection insures high-quality and uniform-size produce for Canada as well as the United States. Clockwise from below: Inspecting top-quality head lettuce during harvest, weighing samples of onions, and checking potatoes for internal damage.

Canada at times may insist on a U.S. product that is higher in quality, larger in size, or at a more desirable stage of maturity than it normally would get when no U.S. import regulations or marketing orders are in effect.

How inspection service works

Neither the U.S. Department of Agriculture nor the Canadian Department imposes its national grade standards on the other. This allows inspectors in each country to apply grades with which they are familiar.

Canadian regulations, for instance, require that tomatoes shipped from the United States meet the U.S. No. 2 or better grade, if U.S. import restrictions or a marketing order for tomatoes do not call for a higher grade. The U.S. inspector examines the tomatoes to be shipped on the basis of the U.S. No. 2 grade. If the lot meets this standard, the inspector officially certifies it. If the lot also meets requirements for type of containers and markings the inspector writes "Meets Canadian Import Requirements" on the certificate, which generally accompanies the load. This certification allows the tomatoes to cross the border and to be unloaded at destination point.

Canadian processors may apply for a permit to allow entry of U.S. fruits or vegetables which may not meet the regular Canadian import requirements for fresh market use. Special authorization for such shipments to Canada for processing must be obtained from the Director of the Fruit and Vegetable Division, Canadian Department of Agriculture. Notice of this authorization, if and when granted, is channeled through USDA in Washington, D. C., to the USDA inspector; if he determines that the shipment complies with the Canadian requirements, he then states on the official certificate "Meets Canadian Import Requirements for Processing."

Certification of Canadian-grown produce moving into the United States is handled in a similar manner. U.S. import requirements state that certification by the Canadians on the basis of specified comparable Canadian grades is evidence of compliance with U.S. import requirements. Onions, for instance, are subject to import regulations that coincide with the quality and size requirements of a Federal marketing order; under these regulations, onions meeting the requirements of Canada No. 1 and No. 2 grades comply with those of U.S. No. 1 and No. 2.

Border Cooperation Aids Fight Against Plant Pests

By RALPH W. SHERMAN
Plant Quarantine Division
Agricultural Research Service

For over a half century, the Canadian and U.S. Departments of Agriculture have worked together to protect their countries' agricultures against destructive foreign insects and plant diseases.

Enabling legislation for this cooperation came to Canada in 1910 through the Destructive Insect and Pest Act and to the United States 2 years later through the Plant Quarantine Act.

Since then, the countries have become increasingly interdependent in their plant protection work—in part because of the similarity of their problems. Natural spread northward across the Canadian border presumably has been responsible for the Japanese beetle, European chafer, Gypsy moth, and the Dutch elm disease gaining entrance into Canada.

Canada, on the other hand, has few pests that are not established in the United States. Two notable exceptions are the potato wart in commercial potato-growing areas and the winter moth. The potato wart disease occurs in Newfoundland where an infestation of the golden nematode of potatoes and tomatoes also occurs. The winter moth—so-called because adult moths appear from October to January—is a European insect that was found in Nova Scotia in 1949. It defoliates apple, oak, maple, elm, and basswood and in its larval stage is a major pest of European fruit and forest trees.

Freedom of movement between countries

Most plant-propagating material may move rather freely in either direction between Canada and the United States under relatively simple procedures. A USDA-issued import permit, a Canadian origin-and-inspection certificate, and the customary invoice are all that are required to admit

The fight against plant pests has also spurred cooperation between Canada and the United States; top, inspecting grain as it is loaded aboard ship; above, transit inspection of nursery stock.

Plant Quarantine Division inspectors board foreign vessel at Cleveland, Ohio. When they find pests in the holds or on cargo of such vessels, U.S. inspectors alert their Canadian counterparts. In addition, they often invite the Canadian inspectors to witness fumigation of holds of contaminated ships.

most baggage, truck, and rail imports of plant material. Mail imports into the United States are cleared at one of several northern ports where plant quarantine inspectors are stationed.

Some 1,500 permits were issued during 1966 for the entry from Canada of plants, seeds, and bulbs. Shipments entering ranged from a few plants or bulbs brought in by individuals to shipments of 75,000 fruit stocks, 11,000 potted plants, and over a ton of tree seeds.

Both countries, by contrast, impose rigid regulations on imports of untreated plants in soil from most other foreign countries. Such restrictions—first enacted in the United States and more recently in Canada—became necessary because of increasingly frequent findings of serious new pests in soil accompanying plants.

As a result of the similarity in problems and regulations, the United States and Canada freely trade inspection help and technical know-how. Here are a few examples:

When an infestation of the golden nematode was discovered in the seed-potato growing areas of Vancouver Island, British Columbia, in 1965, USDA scientists familiar with this problem were invited to observe the situation on Vancouver Island and to supply the latest available information on control.

Award to Canadian inspector

More recently, a Canadian inspector received the U.S. Plant Quarantine Division's "Certificate of Recognition," for helping stop the spread of plant pests to the United States. The inspector traveled from Windsor to Blenheim, Ontario, to make a phytosanitary inspection of a large shipment of onion sets destined to a Michigan consignee and presumably of Canadian origin. He discovered, however, that the onions had actually been grown in the Netherlands and immediately notified the Detroit Plant Quarantine office. Upon arrival in Detroit, the sets were inspected and then subjected to tests which showed infestation of the bulb and stem nematode. The shipment was therefore refused entry into the United States.

U.S. inspectors in Hawaii inspect the baggage of passengers enplaning for mainland destinations in either Canada or the United States. This preclearance expedites the frequent interchange of arriving passengers from one country to another.

Similarily, when charter flights of U.S. passengers on Canadian airlines deplane at Windsor, Canadian customs and agricultural inspectors frequently invite their U.S. counterparts to perform baggage checks at Windsor. This facilities the passengers' re-entry by avoiding a second inspection and also makes possible a more thorough and less hurried inspection than at the border checkpoint.

Some important plant pest interceptions have been made at the Windsor Airport. Plants in soil taken from a British passenger, for instance, were found to contain over 500 viable cysts of the golden nematode; the plants had been destined for a Detroit garden.

Opening of Seaway spurs cooperation

Opening of the St. Lawrence Seaway in the spring of 1959 added well over 2,000 miles to the North American coastline, making ports as remote as Duluth, Minnesota, accessible to ocean vessels. Along this inland waterway foreign pests on foreign ships moved into the North American heartland.

To cope with the resulting problems, the protection services of the two countries made extensive surveys and in subsequent meetings agreed to exchange information of mutual interest. For example, whenever either service discovers an infestation of land snails or other serious pest in the hold of a vessel or on discharged cargo, the other service is immediately notified by phone; this is especially important since vessels usually visit ports in both countries. Fumigation of holds and discharged cargo may be performed on either side of the Lakes, it is not unusual for one country to invite a representative of the other to witness such treatments.

Traffic across the border in racehorses is another matter of concern, especially since the construction of a new race track at Windsor. Accompanying the horses in either direction are feed and hay; hay is one of the commodities that carries the cereal leaf beetle—a major small grain pest in parts of Michigan, Ohio, Indiana, and Illinois. USDA inspectors, as well as those of Michigan are cooperating in policing such movements to prevent spread of this pest across the Detroit river into Canada.

Still another important liaison between the two services concerns smuggling. Information on possible smuggling operations is quickly exchanged across the border. Without such cooperation many smuggling attempts might escape detection.

Canadian symposium looks to BILLION-BUSHEL WHEAT CROP

By GORDON H. LLOYD
Assistant U.S. Agricultural Attaché, Ottawa

Wheat scientists from Canada and 17 other countries took a look last month into the future of Canadian wheat production. Their prognosis: Technology would permit a billion-bushel crop for Canada by the 1980's, with striking advances in use of chemical fertilizer, hybrid varieties, and disease and pest control.

Meeting at Canada's May 10-12 Centennial Wheat Symposium in Saskatoon, Saskatchewan, these scientists focused on western Canada and its wheat-producing Provinces of Saskatchewan, Alberta, and Manitoba. This region accounts for 98 percent of Canada's wheat crop—which hit a record 844 million bushels last year—and along with our Midwest is increasingly the world's bread basket.

Canada and the world food problem

Opening the conference with an overview of the growing food crisis, Charles W. Gibbings, president of the Saskatchewan Wheat Pool, asked the delegates to consider how Canada could best help other countries improve the quality and quantity of their food.

He said that increased technological aid will help in this effort, since the big surplus producers simply cannot produce enough to feed the world. Underlining this prediction is the prospect for a 50-percent rise in population by 1985, with most of the gain in developing countries who even now are unable to feed themselves.

Mr. Gibbings closed with this warning to government planners and natural scientists: "Yield-increasing technology and resource-expanding proposals are not always taken up by farmers unless they can see some incentives to make the change."

More land for wheat

Canada, unlike most other developed nations, still has a large reserve of land available for agricultural production. Speaking on the subject "Land Capability," W. Earl Bowser estimated that some 30 million more acres in western Canada could be put into production, though some of this would be less desirable land.

For wheat expansion alone, Mr. Bowser painted an optismistic picture. "I believe," he said, "we will meet the challenge of better land use and that by the year 2000 we will have added at least another 15 million acres of wheatland, pushing production well over the billion–bushel barrier."

If Mr. Bowser's forecasts are realized, Canadian wheat acreage will be some 45 percent above the 1967 level.

Improvements seen for soils

Better management practices represent another stepping-stone to expanded production, according to a paper ("Physical Soil Factors") by Drs. Eeltje de Jong and D. A. Rennie. "Under dryland conditions," they said, "significant increases in wheat yields seem possible and probable by adopting management practices aimed at increasing soil moisture storage, increasing efficiency of water use by wheat, better germination, and improved seedling emergence."

They also stated that the semiarid climate of western Canada does not appear to be the yield-limiting factor that it was in the past.

Expanded use of chemical fertilizer was advocated by Drs. Robert Joseph Soper and Geza Joseph Raez ("Chemical Factors of Soil"). They pointed out that with adequate fertilizer use, yields can more than double on formerly nitrogen-deficient soils, and yields can rise 5-8 bushels per acre when 20 pounds of phosphorus are added to phosphate-deficient areas.

Fertilizer has only come into general use in western Canada since the early 1960's. Before that time needed nutrients were supplied through addition of manure, growing legumes for symbiotic fixation of nitrogen, use of inorganic fertilizer, and summer-fallowing. The latter method—which also helps build up subsoil moisture—was deplored by several speakers as being "inefficient" and "soil destructive." Much of western Canada, according to Drs. Soper and Raez, does not even require summer-fallowing; currently about 75 percent of the crop is produced in this way.

[With world wheat prices relatively high, farmers have already begun to follow the advice of soil scientists and government officials, and fertilizer intentions for 1967 are 25 percent above those in the previous year. To capitalize on Canada's growing demand for fertilizer, the Imperial Oil Limited will build a $50-million fertilizer plant in Alberta with a capacity of 500,000 tons a year.]

Call to de-emphasize quality

Dr. George Norman Irvine ("Wheat and Its Quality") asked whether Canada is growing the kind of wheat that offers maximum productivity in view of the increasing world food requirements.

He pointed out that for all its progress in surmounting plant disease, droughts, and frosts and in improving quality, Canada has yet to achieve an allout increase in yields such as the Rockefeller Foundation's breakthrough in Mexico. Furthermore, because of improved milling techniques, high-quality bread wheat like Canada's is not as necessary as it was in the past, and many markets—like India and Pakistan, where an unleavened bread is the staple food—do not even want such wheat.

Dr. Irvine capped his speech with a call to chance: "Let us now set up a special project group," he exclaimed, "with no worries about quality to haunt them and see what they can achieve."

With more flexible quality requirements, Canada could use hybrid varieties to bring dramatic production increases, stated L. H. Shebeski ("Wheat and Breeding"). Mr. Shebeski said that we can expect hybrids from current lines to exceed the yield of control varieties by 25 percent or more, and improved hybrids to bring even bigger gains.

"I confidently predict," Mr. Shebeski said, "that by the turn of the century the per acre Canadian wheat yields may have been increased by as much as 50 percent as a result of improved breeding techniques alone."

The great improvements brought through control of weeds, insects, and diseases were also discussed. Insect control has curbed the devastating grasshopper sieges, which in the 1800's literally wiped the crop off the earth; weed control has probably helped increase the yields potential of the wheat fields, and control of diseases has cut down on such plant cripplers as rust and smut.

For all these accomplishments, however, the plant-destructive processes hold many problems for the future. Drs. A. J. McGinnis and Robert Kastings ("Wheat Production and Insects") pointed out that an insect new to Canada—the cereal leaf beetle—will become a major pest in the near future, requiring new and improved control methods. And with a decline in summer-fallowing and more intensive cropping of the land, there will probably be a rise in overall insect damage.

In the area of plant-disease control two important questions were raised by Dr. G. J. Green ("Diseases and Wheat Production"): Are we keeping ahead of the disease organisms, and will we run out of resistance?

"We cannot predict how disease pathogenicity will change," said Dr. Green, "but we can be reasonably sure it will."

Another problem for which there were few economical answers is that of soil salinity. In Saskatchewan, according to Drs. de Jong and Rennie, some 5 million of the total 43 million cultivated acres are said to be too salty, and yields have been reduced 5-50 percent. In Manitoba, 5 percent of the 12 million cultivated acres are affected by the same problem.

Canadian Grain Farmers To Get Higher Initial Payments

Canadian Trade Minister Robert Winters on May 23 announced that initial payments to prairie farmers will be increased for wheat, oats, and barley starting with the crop year beginning August 1, 1967.

The initial payment for No. 1 Manitoba Northern Wheat, in-store at Lakehead or Vancouver, will be increased from C$1.50 per bushel to C$1.70. This follows an earlier announcement by Winters that under the new World Grains Arrangement, the minimum/maximum price for Manitoba No. 1 at Lakehead would be C$1.95½ to C$2.38½ per bushel. He further stated that this is about 21 cents above the current price range for Manitoba No. 1 under the International Wheat Agreement.

The initial payment for oats has been increased by 10 cents to C$0.65 per bushel and the barley payment has been boosted from C$1.01 per bushel to C$1.06.

Two payments to farmers

Under the Canadian marketing system, the wheat producers' final return is derived from two payments: the initial payment and a final payment.

The farmer receives an initial payment when he delivers his wheat to the country elevator. This payment is set by the government but administered by the Canadian Wheat Board—sole buyer of wheat in the Prairie Provinces. It has been C$1.50 per bushel since March 1, 1962, and was C$1.40 for more than a decade before that date. Fixed charges, such as transportation from the delivery point to Vancouver or Lakehead, handling fees, and Wheat Board operating costs are deducted. Typically, these charges run about 18 cents per bushel.

The final payment, the magnitude of which depends on the Wheat Board's ability to market a particular crop and on world prices, is distributed to farmers after the close of the marketing year. On January 17, 1967, the Wheat Board distributed a final payment for the 1965-66 marketing year that averaged 48 cents per bushel; for Manitoba No. 1—the highest quality Canadian wheat—it was 50 cents.

The final return to farmers last season was therefore about C$1.82 per bushel (U.S. $1.69) for Manitoba No. 1 after deducting transportation, handling, and operating costs. More typical of average returns are the total payments less costs for Manitobas Nos. 2 and 3, which amounted to $1.79 (US$1.66) and $1.70 (US$1.58) respectively.

—James P. Rudbeck
Grain and Feed Division, FAS

Drop in Canadian Wheat Exports This Year

Canadian exports of wheat and flour are expected to be about 525 million bushels in the current marketing year —some 60 million bushels less than in 1965-66. Smaller sales to the USSR and the Eastern European countries account for this expected decrease, for on balance, sales to other areas are running about equal to a year ago.

Canadian contracts with the USSR total only 112 million bushels this year, and those with Eastern Europe are down to 21 million. In 1965-66, by comparison, Canada sold the Soviet Union 214 million bushels and Eastern Europe about 33 million. Improved crops, especially in the USSR, are the primary reason for the smaller contracts.

Canadian wheat (excluding flour) shipments through April of the current year totaled approximately 343.1 million bushels, or about 35.3 million behind the 1965-66 pace. Exports in million bushels by major destinations 1965-66 figures in parentheses) were as follows: Mainland China 75.6 (52.8), the USSR 71.7 (133.3), the United Kingdom 46.3 (53.4), Japan 43.5 (35.7), and India 19.9 (9.4). In addition, gains have been registered in sales to Belgium, Finland, Portugal, Algeria, South Africa, Pakistan, and Turkey, while shipments are off to Germany, the Netherlands, Norway, Switzerland, the Philippines, and Venezuela.

Flour exports for the first 5 months of the current year were 18.8 million bushels, wheat equivalent, compared with 19.1 for the same period in 1965-66.

Large carryover expected

As a result of the record harvest in 1966, plus these reduced exports, another 150-175 million bushels will be added to carryover stocks, which totaled 420 million on July 31, 1966. This will bring Canadian carryover stocks to the highest level in 5 years and will put them above the expected U.S. level for the first time since the 1940's.

Canada Completes Seeding After Late Start

According to the Canadian crop report of June 7, excellent seeding progress has been made in the Prairie Provinces—where most of the grain is grown—despite a delayed start. Wheat seeding was nearly completed and the bulk of other crops were already in the ground.

Crop emergence was reported as generally good. Many fields are heavily infested with wild oats, and weed spraying is underway. Recent high winds have dried the soil surface rapidly, and some drifting has occurred. Rains would have been welcomed except in parts of southern Alberta.

The report indicated that cool, wet weather delayed planting in the Maritime Provinces, but with recent warmer weather field work has become general.

In Quebec, temperatures had been above normal since June 1, but plant growth was 10 to 15 days later than usual. No winter damage in hay and pasture lands was reported, but growth was retarded.

Spring grains were planted late in Ontario, and warm showers were needed for germination and growth. Corn plantings, although begun 2 weeks late, are expected to reach record levels.

Low temperatures have retarded crops in Vancouver Island and lower mainland areas of British Columbia. Prospective good crops and normal harvest dates in the interior were indicated.

Greece's Barley Output Follows Sharp Uptrend

The Greek Ministry of Agriculture has estimated the 1967 barley crop at a record 873,000 metric tons. This compares with last year's 632,000 tons and 1965's 412,000.

The increase in Greek production of barley followed government encouragement for farmers to switch wheat acreage to barley in order to relieve an oversupply of wheat.

On May 16, 1967, Greece sold 35,000 tons of barley for export at a price of $59.75 per ton, f.o.b. These are the first Greek exports of barley since the production increase began in 1964.

The present crop estimate indicates that something over 200,000 tons of Greek barley would be available for exports in 1967-68.

Canadian Cotton Use Lower

During the first 9 months (August-April) of the current season, Canadian textile mills opened 353,000 bales (480 lb. net) of cotton, compared with 366,000 in the same period of 1965-66.

A principal cause of the decline was the prolonged labor strike during the spring and summer of 1966, which affected mills of the largest textile company in the country. Since that company must begin work on new season styles several months in advance, the strike prevented it from supplying samples of its 1967 line to wholesalers and garment manufacturers. As a result, these clients looked elsewhere for their needs; and this company found it necessary to close various of its mills for temporary periods in the first quarter of calendar 1967.

As in other countries, synthetic fibers and blends continue to erode cotton's share of the Canadian textile market. A decline in the general health of the economy also is having an effect on the textile industry. Moreover, a continuing problem is that of textile imports. The country is one of the world's largest importers of manufactured textiles. Industry spokesman are particularly alarmed by the strong competition from Japan in cotton/polyester and nylon/polyester blends.

Until the 1965-66 season, the United States usually supplied 90 percent or more of Canada's raw cotton, but in that season the U.S. share fell to 64 percent because of heavy purchases from the USSR. The initial contract with the USSR in 1966 called for 90,000 bales of cotton. A second contract has been entered for purchase of 70,000 bales in 1967 to be delivered in shipments every 3 months. U.S. exports to Canada during August-April of the current season totaled 226,000 bales, almost identical with shipments in those same months of 1965-66.

Israel's Cotton Acreage Larger in 1967

In Israel, where cotton area and production have been climbing sharply for several years, acreage for 1967-68 will be larger.

Irrigated cotton acreage is placed at a record high of 59,000 acres for the forthcoming season, compared with 52,000 in the 1966-67 season. In addition, about 12,000 acres of nonirrigated land was planted because of excellent soil moisture at planting time. This dryland area may be partially irrigated later in the year. The increase in area is principally attributable to satisfactory producer returns from cotton as compared with alternative crops. Much of the nonirrigated land planted to cotton was taken out of grain sorghum.

Cotton production in 1966-67 is estimated at about 115,000 bales (480 lb. net). This amount is only slightly more than the estimated 110,000 bales required by the domestic textile industry. However, Israel has a history of being both an importer and an exporter of cotton. This allows the local industry to have access to a more balanced distribution of qualities.

In the 1965-66 season imports amounted to 44,000 bales, while exports were 25,000. In the current season imports are expected to be smaller than in 1965-66, but exports should be somewhat higher. Israeli cotton goes primarily to Eastern and Western Europe. The United States supplies a major share of Israel's raw cotton imports, a large part usually under barter contracts.

Cotton production is subsidized heavily by the Government of Israel. The present method of subsidization is to require domestic mills to purchase the first 75,000 bales or so of the crop at an average price of 40 cents per pound (I£2,650 per ton of lint). Additional production is eligible for an export subsidy of about 7 cents per pound (I£440 per ton of lint). The subsidy policy for 1967-68 has not been formally established. In view of the satisfactory income from cotton, it is possible that the government may be inclined to review its subsidy policy.

West Germany Accepts Stickers and Inserts

The West German Ministry of Health has advised the Agricultural Attachés office, Bonn, that stickers or inserts for statement of production dates or shelf-life dates of poultry products entering West Germany after January 1, 1968, will be accepted as meeting labeling requirements. The dates on the stickers or inserts must be easily recognizable to the buyer.

The Ministry of Health has not given favorable consideration to extending the application date. Beginning January 1, 1968, all poultry products entering West Germany will have to be properly labeled showing date of production or shelf-life.

Australian Beeswax, Honey Exports Up

Exports of beeswax from Australia amounted to 396,000 pounds during July-March 1966-67, almost two-thirds of which went to the United Kingdom. For the 1965-66 year, exports amounted to 238,000 pounds.

Honey exports in fiscal 1966-67 are also somewhat ahead of the previous year. Shipments in July-February 1966-67 totaled 4.9 million pounds, compared with 4.8 million in July-February 1965-66. The 1966-67 season has been relatively poor as a result of dry conditions in much of eastern Australia. Most eucalyptus species flowered lightly, and many beekeepers had to rely on ground flora. Production in western Australia is also likely to be well below 1965-66.

Australian production of honey and beeswax is largely governed by domestic and export prices. At present values, producers are obtaining a reasonable return, but there is little incentive to expand output.

Beeswax output in recent years has fluctuated between 550,000 and 600,000 pounds of crude wax. Domestic consumption approximates 300,000 pounds, leaving about 250,000-300,000 for export. Recent wholesale prices for crude beeswax on the Sydney market were 48 Australian cents per pound for Prime quality, with lower grades down to 40 cents (53 and 45 U.S. cents, respectively).

Ivory Coast's Cocoa Bean Exports Near Record

The Ivory Coast's cocoa bean exports in 1966 totaled 124,289 metric tons, down slightly from the record 1965 shipments of 126,409. The United States was the second largest recipient after France, taking 32,435 tons, compared with 31,959 in 1965. Other important markets in 1966 were France 35,456 tons, the Netherlands 21,841, West Germany 14,888, and Italy 11,950.

Ivory Coast shipments to Soviet-oriented countries totaled only 1,007 tons, compared with 5,646 in 1965.

U.S. Exports of Soybeans, Edible Oils, Meals

Soybean exports from the United States during September 1966-April 1967 amounted to 184.3 million bushels, or slightly less than the record exports of 196.3 million in the same 8 months of 1965-66. Spain was the only major destination to which exports increased substantially.

Exports of edible oils during October 1966-April 1967 were 602.6 million pounds—140.3 million pounds less than in the same period last year. Cottonseed oil exports declined about 167 million pounds from the 1966-67 period, but soybean oil increased about 26 million.

Oilseed cake and meal exports in the current marketing year through April 30 amounted to about 1.68 million short tons, 260,900 tons less than in the same 7 months of 1965-66. The most significant declines in exports of soybean meal were in shipments to Denmark, Poland, the United Kingdom, and Italy; exports to the Netherlands and Yugoslavia were greater. Total exports of cottonseed cake and meal were markedly below those of a year earlier.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and destination	Unit	April 1966[1]	April 1967[1]	Sept.-Apr. 1965-66[1]	Sept.-Apr. 1966-67[1]
SOYBEANS					
Japan	Mil. bu.	5.0	4.6	42.6	41.9
Netherlands	do.	3.2	2.2	27.2	25.2
Germany, W.	do.	2.2	3.3	24.1	24.2
Spain	do.	1.7	3.5	12.7	19.0
Italy	do.	1.0	.8	14.0	13.1
Canada	do.	3.1	1.8	18.4	13.0
Others	do.	4.0	5.4	47.3	47.9
Total	do.	20.2	21.6	186.3	184.3
Oil equivalent	Mil. lb.	222.0	236.7	2,045.6	2,024.1
Meal equivalent	1,000 tons	475.1	506.7	4,378.1	4,332.2
EDIBLE OILS		April		Oct.-Apr.	
Soybean oil:[2]		1966[1]	1967[1]	1965-66[1]	1966-67[1]
India	Mil. lb.	6.8	10.8	13.7	95.2
Tunisia	do.	0	19.2	16.6	64.3
UAR, Egpyt	do.	([3])	1.2	7.4	49.4
Pakistan	do.	0	3.5	100.3	45.6
Burma	do.	0	0	18.2	45.0
Yugoslavia	do.	1.1	0	45.6	27.8
Vietnam, S.	do.	2.2	0	10.1	18.9
Greece	do.	.3	.4	27.8	15.1
Brazil	do.	2.8	4.0	14.8	14.7
Others	do.	34.6	28.9	261.5	166.3
Totals	do.	47.8	68.0	516.0	542.3
Cottonseed oil:[2]					
UAR, Egypt	do.	0	17.6	25.4	25.5
Venezuela	do.	2.4	5.6	18.8	20.7
Canada	do.	2.8	1.4	33.4	5.0
Others	do.	6.0	1.0	149.3	9.1
Total	do.	11.2	25.6	226.9	60.3
Total oils	do.	59.0	93.6	742.9	602.6
CAKES AND MEALS					
Soybean:					
Germany, W.	1,000 tons	38.2	46.4	320.6	311.7
France	do.	38.0	37.7	294.3	268.1
Netherlands	do.	32.3	53.1	212.2	221.3
Canada	do.	14.7	20.5	134.2	132.2
Belgium	do.	15.2	11.7	110.2	114.0
Italy	do.	.1	.1	116.5	97.8
Yugoslavia	do.	12.1	4.2	58.7	93.9
Denmark	do.	18.3	6.3	101.7	64.0
United Kingdom	do.	16.0	4.2	81.5	47.5
Poland	do.	0	4.8	64.1	35.6
Others	do.	51.1	20.1	272.2	203.4
Total	do.	236.0	209.1	1,766.2	1,589.5
Cottonseed	do.	10.5	.5	96.9	5.8
Linseed	do.	2.2	([4])	52.1	67.0
Total cakes and meals[5]	do.	251.8	213.0	1,936.3	1,675.4

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

[1]Preliminary. [2]Includes Titles I, II, III and IV of P.L. 480, except soybean and cottonseed oils contained in the shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oils not reported by Census. [3]Less than 50,000 pounds. [4]Less than 50 tons. [5]Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

Tung Oil Shipments from Buenos Aires

Tung oil exports from Argentina and Paraguay through Buenos Aires in August 1966-April 1967 totaled a record 51.1 million pounds—nearly double those in the same 9 months of 1965-66.

Exports in April alone amounted to 7.0 million pounds. This volume included 2.2 million pounds for the Soviet Union—the second Soviet purchase of Argentine tung oil. The initial purchase was 1.3 million pounds in February 1965.

Tung oil shipments from Buenos Aires to the United States in April, at 0.9 million pounds, were the smallest in volume since August 1965, when South American supplies were relatively scarce. However, shipments to the United States during August-April, at 19.6 million pounds, were somewhat above those during the same months in 1965-66.

Prices for South American tung oil (c.i.f. basis, European ports) have recently been quoted fractionally below 12 cents per pound, compared with 19 cents a year ago. Prices for Chinese tung oil in Europe have not been quoted in recent weeks.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	March	April		August-April	
	1967[2]	1966	1967[2]	'65-66	'66-67[2]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
Argentina:					
To United States	1.0	1.4	0.4	8.1	7.2
To other countries[3]	2.7	1.6	[4]6.1	8.0	25.6
Total	3.7	3.0	6.5	16.1	32.8
Paraguay:					
To United States	1.7	0	.4	9.9	12.4
To other countries[3]	.4	0	.1	.2	5.9
Total	2.1	0	.5	10.1	18.3
Total:					
To United States	2.7	1.4	.8	18.0	19.6
To other countries[3]	3.1	1.6	6.2	8.2	31.5
Grand total	5.8	3.0	7.0	26.2	51.1

[1]Presumed to represent virtually all the tung oil exported from Argentina and Paraguay. [2]Preliminary. [3]Largely to West European countries. [4]Includes 2.2 million pounds to the USSR.

Compiled from shipments data, *Boletín Marítimo,* Buenos Aires.

Argentine Flaxseed Estimate Revised Upward

The third and possibly final official estimate places Argentina's 1966-67 flaxseed production at 577,000 metric tons (22.7 mil. bu.). This is 7 percent above the second official estimate of 540,000 tons (21.3 mil. bu.) and 1 percent above the 570,000 tons (22.4 mil. bu.) produced in 1965-66.

U.S. Tobacco Exports Climb in April

U.S. exports of unmanufactured tobacco in April 1967, at 53.3 million pounds, were more than double the 23.2 million shipped out in April 1966. The value this year was $46.5 million, compared with $20.0 million in April last year.

During January-April 1967, exports totaled 164.1 million pounds, 32.4 percent above the 124.0 million shipped out in the first 4 months of 1966. During July 1966-April 1967, the export total was 539.8 million pounds, up 28.3 percent from 420.7 million in the 1965-66 period.

The value of tobacco-product exports in April 1967 was $11.5 million, compared with $12.6 million in April 1966. For January-April 1967, the total value of tobacco-product exports was $43.5 million, against $42.5 million for the first 4 months of 1966.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	April		January-April		Change from 1966
	1966	1967	1966	1967	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	16,042	37,614	88,283	115,443	+ 30.8
Burley	2,162	6,282	13,322	19,430	+ 45.8
Dark-fired Ky.-Tenn.	1,008	1,773	6,062	7,713	+ 27.2
Va. fire-cured[1]	460	298	1,738	1,802	+ 3.7
Maryland	519	2,373	2,384	4,884	+104.9
Green River	0	76	434	188	— 56.7
One Sucker	11	377	53	459	+766.0
Black Fat	71	317	1,024	1,540	+ 50.4
Cigar wrapper	365	574	1,841	875	— 52.5
Cigar binder	954	330	1,171	562	— 52.0
Cigar filler	1	47	273	195	— 28.6
Other	1,598	3,212	7,386	11,014	+ 49.1
Total	23,191	53,273	123,971	164,105	+ 32.4
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	20.0	46.5	103.9	140.0	+ 34.7

[1]Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	April		January-April		Change from 1966
	1966	1967	1966	1967	
Cigars and cheroots					*Percent*
1,000 pieces	5,757	10,257	21,665	23,564	+ 8.8
Cigarettes					
Million pieces	2,414	2,059	8,138	7,761	— 4.6
Chewing and snuff					
1,000 pounds	38	29	178	78	—56.2
Smoking tobacco in pkgs.					
1,000 pounds	86	107	317	412	+30.0
Smoking tobacco in bulk					
1,000 pounds	1,138	1,140	3,664	4,641	+26.7
Total declared value					
Million dollars	12.6	11.5	42.5	43.5	+ 2.4

Bureau of the Census.

Rise in Ireland's Tobacco Imports

Ireland's imports of unmanufactured tobacco in 1966 totaled 13.3 million pounds, 14 percent more than in 1965. About 95 percent of last year's imports were of U.S. origin, compared with 84 percent—9.8 million pounds—in 1965.

In 1966, Canada supplied 226,000 pounds and Rhodesia 223,000 pounds to the Irish market. Malawi, which furnished 188,000 pounds, was the only other major source.

Irish factories used about 12.4 million pounds of tobacco in 1966, compared with about 13.4 million in 1965. The drop in tobacco use last year reflected a considerable decline in cigarette exports. Also, leaf used in smoking mixtures was about 10 percent below that of 1965.

Israeli Cigarette Output Down Slightly

Cigarette output in Israel last year totaled 6.8 million pounds—down a little from the 6.9 million for 1965. Pro-

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duction of tombac and pipe tobacco was slightly larger than in 1965, while cigars and snuff declined slightly.

Cigarette sales in 1966 totaled 7.0 million pounds, compared with 7.2 million in 1965. Sales of imported brands, mainly of U.S. origin, represented 3.1 percent of the total last year. Domestic-made filter-tipped oriental-type cigarettes continued to dominate the market in 1966, accounting for 61.2 percent of total Israeli cigarette purchases. They range in price from the equivalent of 31 to 38 U.S. cents per package of 20.

Decline in British Cigarette Imports

British imports of cigarettes in 1966 were 1.3 million pounds, compared with 1.1 million in 1965. The United States supplied 781,000 pounds in 1966, or 59 percent of the total. Other major sources included France, 173,000 pounds, and Switzerland, 164,000.

Greek Cigarette Consumption Increases

Cigarette consumption in Greece continued its upward trend through 1966. Output for domestic consumption last year totaled 32.8 million pounds—up 5.1 percent from the 1965 level of 31.2 million.

Filter-tips accounted for 27.6 percent of total cigarette sales in Greece last year, compared with 20.6 percent in 1965 and 15.2 percent in 1964. These are produced only in the Semi-Luxury, Luxury, and Super-Luxury brands which accounted for 55.0 percent of total output. About half of these brands were filter-tipped.

Gain in Turkey's Tobacco Exports

Turkey's exports of unmanufactured tobacco last year rose to 187.9 million pounds, valued at $107.5 million, compared with 150.9 million pounds, at $89.5 million in 1965. Most major markets, including the United States, increased their purchases of Turkish leaf last year.

The United States—by far the most important market—took 109.5 million pounds of Turkish tobacco last year. This represented 58 percent of the total and was a 15-percent increase from 1965 purchases.

Other major markets' takings in 1966, in million pounds were as follows: West Germany 24.0, Hungary 7.1, East Germany 6.2, Czechoslovakia 4.6, and Poland 4.6.

Average export prices per pound for leaf shipments to major destinations in 1966, in U.S. cents per pound, were the United States 60, West Germany 57, Hungary 52, East Germany 68, Czechoslovakia 70, and Poland 77.

TURKEY'S UNMANUFACTURED TOBACCO EXPORTS

Destination	1964	1965	1966
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	78,614	95,124	109,467
Germany, West	15,659	13,913	23,979
Hungary	3,578	2,932	7,090
Germany, East	3,446	3,853	6,195
Czechoslovakia	858	4,052	4,645
Poland	4,061	3,488	4,625
Japan	1,171	6,325	3,779
France	.....	1,082	3,499
Belgium-Luxembourg	1,927	4,149	3,254
Netherlands	988	1,521	2,447
Austria	1,190	1,499	2,392
Italy	2,216	2,650	2,099
Soviet Union	866	1,146	2,050
Switzerland	3,053	2,449	1,991
UAR (Egypt)	.....	1,975	1,440
Israel	1,292	1,448	1,332
Sweden	745	1,274	.....
Others	5,978	2,043	7,594
Total	125,642	150,923	187,878

WORLD CROPS AND MARKETS INDEX